BRITISH COLUMBIA
The Best Place on Earth

BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca *Issue: 07-38* *September 21, 2007*

- **Inflation rate falls to 1.3% in August**
- **Retail sales unchanged in July; wholesale sales jump 2.2%**
- **Number of BC births rises 0.8%**

Prices

- **British Columbia's year-over-year inflation rate fell 0.3 percentage points to 1.3% in August.** Lower energy costs (-5.0%), particularly gasoline (-8.0%), kept the inflation rate at its lowest level since October 2006. The Consumer Price Index (CPI), excluding energy, was up 2.0% in August.

  Food bills were 2.6% higher as the cost of meals at restaurants rose 4.0% and the price of groceries was up 1.8%. Shelter costs (+2.1%) were also on the rise, as prices for both owned (+3.1%) and rented (+1.3%) accommodations climbed. Increases in the cost of water (+7.5%) and piped gas (+2.3%) were offset by lower prices for electricity (-0.6%) and fuel oil & other fuels (-2.4%) leaving the cost of household utilities relatively unchanged (+0.1%).

  Transportation costs were down 1.5% in August as the drop in the price of gasoline (-8.0%) more than compensated for increases in the cost of insuring (+1.4%) and maintaining (+7.6%) an automobile.

  British Columbians were forced to dig deeper into their wallets for alcohol & tobacco products (+3.1%) as well as health & personal care (+2.2%) and recreation, education & reading (+2.7%) materials. Prices for clothing & footwear, however, continued to fall in August (-2.6%).

  The CPI in Vancouver (+1.7%) was higher than the provincial average, while the inflation rate in Victoria (+0.6%) was significantly lower.

  Data Source: Statistics Canada

- **The nation's inflation rate fell to 1.7% in August after holding firm at 2.2% for the four previous months.** Lower prices at the pump (-7.7%) slowed inflation in the face of rising prices for food (+2.4%), shelter (+3.6%) and household operations & furnishings (+1.8%). Although inflation rates moderated in all provinces, the cost of goods and services in Alberta was 4.7% higher than in August 2006.

  Data Source: Statistics Canada

The Economy

- **Retail sales in BC were virtually unchanged in July, remaining stable at $4.7 billion (*seasonally adjusted*) for the second straight month.** Stronger sales at furniture, home furnishings & electronics stores (+3.1%), pharmacies (+2.1%) and clothing & accessories stores (+1.3%) were overshadowed by falling sales in the automotive (-2.5%) as well as food retailing (-1.0%) sectors. Miscellaneous retailers saw receipts inch higher (+0.6%) while business at general merchandise stores was flat (+0.1%).

  Nationally, retailers saw sales decrease for a second consecutive month (-0.8%) driven by weakness in the automotive sectors of both Ontario and Quebec. *Data Source: Statistics Canada & BC Stats*

- **British Columbia's wholesale sales jumped 2.2% (*seasonally adjusted*) in July.** Wholesalers of metal products (+5.3%), building supplies (+4.8%) and other products (+4.0%) provided much of the boost. BC's wholesale industry has experienced steady growth throughout most of 2007.

  Overall, Canadian wholesale sales were up 2.0% in July as a result of an increase in demand for both automotive (+4.8%) and personal & household goods (+4.0%).

  Data Source: Statistics Canada & BC Stats

- **New motor vehicle sales in British Columbia dropped 1.7% (*seasonally adjusted*) in July as**

Did you know...

In 1947, 83% of Canadians used solid fuel to heat their homes while only 4% relied on natural gas. Nearly fifty years later, in 2005, less than 5% use solid fuel while 50% use natural gas.

Data Source: Statistics Canada.

truck sales in the province slowed. Despite rising sales of both North American- and overseas-made cars, a continued slide in purchases of both foreign and domestic trucks has been driving overall motor vehicle sales down.

Data Source: Statistics Canada & BC Stats

Births

- **There were 40,827 births in British Columbia in 2005, up 0.8% from the number recorded in 2004.** Nationally, the number of births registered totalled 342,176, an increase of 1.5% over the previous year.

  The increase in the number of births reflects rising fertility among women in their thirties. Mothers aged 30 to 34 accounted for 32.6% of all births in 2005 while teenage fertility (mothers aged 19 and younger) continued to decline. The average age of women that gave birth in 2005 remained at 29.9 years, slightly higher than the national average of 29.2 years. Mothers in Ontario were the oldest in the nation with an average age of 30.0 years.

  Data Source: S.C. Cat. #84F0210XIE

- **BC's total fertility rate (i.e., the average number of children that women aged 15 to 49 will have in their lifetime) remained at 1.4 in 2005, the second lowest in the country.** Newfoundland and Labrador (1.3), Nova Scotia (1.4) and New Brunswick (1.4) all recorded fertility rates lower than the national average of 1.5 per woman. Saskatchewan (1.9) and Manitoba (1.8) had the highest total fertility rates. These rates were largely unchanged from those recorded in 2004. Among the territories, the total fertility rate was highest in Nunavut at 2.7 births per woman.

  The province's crude birth rate (the number of live births per 1,000 people) in 2005 was the fourth lowest in the country at 9.6 and well below the national average of 10.6. Alberta had the highest crude birth rate among the provinces at 12.8. *Data Source: S.C. Cat. #84F0210XIE*

Tourism

- **Americans made only 254,000 (*seasonally adjusted*) overnight trips to Canada via BC in July, down 9.0% from the previous month and the lowest number recorded since April of 1997.** Overall, the number of travellers from south of the border fell 7.6% from June's total. Overseas entries slipped 0.5% as an increase in the number of visitors from Asia (+2.7%) was offset by a decline in the number of travellers from both Europe (-0.8%) and Oceania (-2.7%).

  Data Source: Statistics Canada & BC Stats

Education

- **Parental expectations and differences in academic performance and study habits help explain the growing gender gap at Canadian universities.** By 2003, about one-quarter (26%) of 19 year old men had attended university while among 19 year old women, the figure was about two-fifths (39%). Nearly half (46%) of this difference in university attendance is attributable to the fact that women scored higher on standardized tests and had higher marks in school at age 15. Girls spending more time studying at home accounted for a little more than a tenth (11%) of the gap. Another tenth (9%) of the gender gap is due to increased parental expectations placed on young girls to complete a university degree.

  Data Source: S.C. Cat. #11F0019MIE No. 303

The Nation

- **Canada's composite leading indicator rose 0.3% (*seasonally adjusted*) in August.** Demand for new and existing homes pushed the housing index higher while increased inventories among manufacturers offset increased demand for capital goods. *Data Source: Statistics Canada*

- **National net worth rose 1.6% in the second quarter of 2007, to $162,200 per capita.** Household net worth grew 1.9%, a slow-down from previous quarters due in part to devaluation of foreign currency denominated financial assets as a result of the rapid increase in the value of the Canadian dollar. Household debt increased at a rate faster than disposable income reflecting increased spending on real estate and consumer goods. *Data Source: Statistics Canada*

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

Contact: Lillian Hallin
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Originally published in
Business Indicators Issue 07-08

B.C.'s Public Sector

The public sector is a significant source of employment in BC, providing 370,310[1] jobs in 2006. One in six workers in the province was employed in the public sector, which includes federal, provincial and local government departments and agencies, public sector institutions and crown corporations.

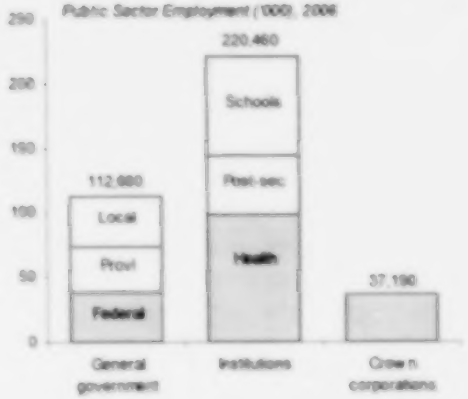
Institutions are the biggest employers in the public sector

Health and educational institutions are the biggest employers in the public sector, accounting for three out of every five public sector jobs (220,460) in the province. Hospitals and social service institutions had the biggest payroll, with a total of 97,880 employees. Local school boards employed another 76,210 people, while 46,380 British Columbians worked at post-secondary institutions (publicly-funded universities, colleges and technical schools).

A total of 112,660 people worked for federal, provincial and local government ministries and agencies. Local governments employed the largest number (39,280) of general[2] government sector workers. There were fewer people on federal (38,080) and provincial (35,300) government payrolls.

Crown corporations employed 37,190 British Columbians in 2006, the vast majority (28,890) of whom worked for provincial crown corporations. Federal crown corporations provided another 8,170 jobs, while about 140 British Columbians were employed by local government business enterprises in 2006.

Three out of five public sector workers are employed at health and educational institutions



Data Source: Statistics Canada

It should be noted that these employment figures do not distinguish between full-time and part-time workers. Part-time employment is quite common in some areas of the public sector (for example, many health care workers have part-time jobs), so high job counts in some sectors are a reflection of work arrangements as well as the amount of labour used by the sector.

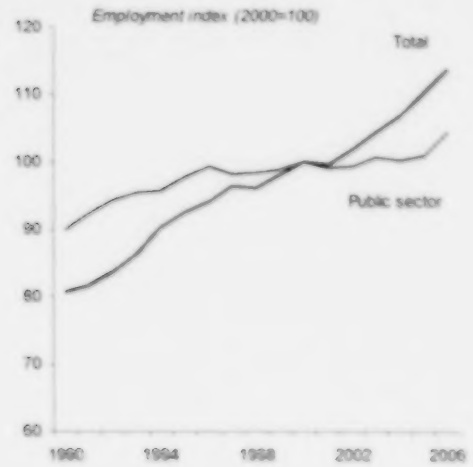
Employment growth in the public sector

British Columbia's labour market has been going through a period of extremely strong growth. Unemployment rates in the province are currently at or near thirty-year lows, and the number of jobs in the province has increased steadily since 2002, growing at rates in excess of three percent during the last two years.

1 Except for total employment, which is based on Labour Force Survey statistics, the employment figures quoted in this article come from the Public Institutions Division of Statistics Canada and are based on payroll information provided by government departments and other public sector organizations.

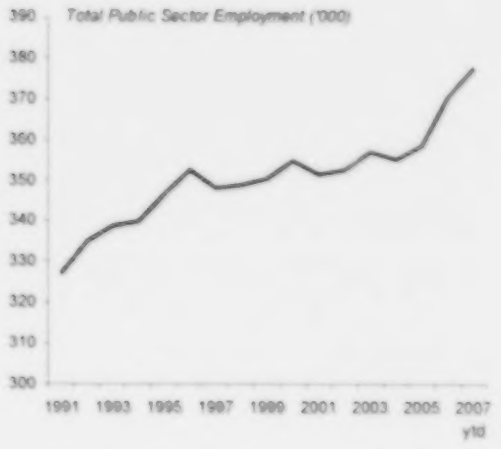
2 General government includes government ministries and departments, as well as agencies such as the Workers' Compensation Board, which are funded, but not necessarily controlled, by government.

Public sector employment growth slower than average over the long run...



Data Source: Statistics Canada

...but employment increased significantly in 2006



Data Source: Statistics Canada

Employment growth in the public sector has been slower than in the private sector. During the 1990s, total employment in the province increased twice as fast as the number of public sector jobs. The gap has widened since then, with total employment rising about 14% since 2000, while the number of public sector workers has expanded by about 4%.

The last decade and a half has seen significant changes in the composition of the public sector in most regions of the country. The demand for health and education services has continued to expand and this has led to job growth in these areas. At the same time, the 1990s were a period of restructuring and restraint as provincial and federal governments focussed on efforts to balance budgets and reduce the impact of government on the economy.

In British Columbia, employment in federal general government declined during the 1990s, while provincial government employment continued to increase. Restructuring of the provincial government did not take place until the early years of this decade.

Strong job growth in 2006

After many years of relatively slow growth, public sector employment in the province has begun to expand, growing significantly (+3.4%) in 2006 and continuing on an upward path during the first six months of this year. The increase in public sector employment during 2006 was the biggest since 1990, and exceeded the employment gains made in the economy as a whole (+3.0%). Alberta (+3.6%) was the only province to see a bigger expansion in public sector employment during 2006. Saskatchewan (+2.4%) and Ontario (+2.3%) also posted increases that were above the national average of 1.9%.

In BC, most parts of the public sector took on more workers during 2006. Federal and local crown corporations were the only exceptions.

Employment in education, health and social services[3] increased 3.7% and the number of people working for crown corporations was up 3.2% overall, largely due to job growth at

3 Education, health and social services includes schools, post-secondary institutions, hospitals and other public health and social service institutions.

provincial crown corporations. Total employment at federal, provincial and local government ministries and agencies rose 2.7%.

The federal government expanded its workforce 3.3%, posting the strongest gain recorded since 2001. Last year was a census year, and part of the increase in federal general government employment during 2006 was related to the hiring of temporary workers to assist with census preparation, enumeration and the processing of census forms. This was also a factor in the increase that occurred in 2001, the last year to see similarly strong job growth (+5.2%) in federal general government employment in BC.

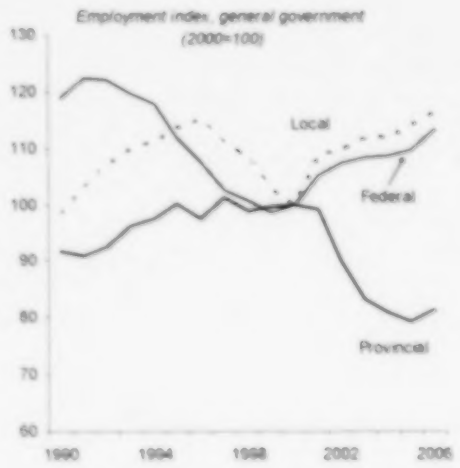
The number of people working in provincial general government (+2.8%) and at local school boards (+4.2%) grew more than in any year since the mid-1990s. Employment in local governments was up 2.0% during 2006.

Trends in public sector employment since 2000

Total employment in BC's public sector rose only 1% between 2000 and 2005 as the province experienced moderate growth or reductions in some areas within the public sector. The growth that occurred was largely offset by big declines in provincial government employment. Between 2000 and 2005, provincial general government employment dropped 21%. Employment at post-secondary institutions and local school boards decreased about 4%.

Last year's unusually large increase occurred more or less across the board, boosting job counts throughout most of the public sector. However, employment in provincial general government remains well below the levels recorded at the beginning of the decade. 2000 was a peak year for the provincial government, which had seen its workforce grow to 43,310 by the turn of the century. Since then, more than 8,000 jobs have been eliminated. Provincial general government employment in 2005 was the lowest it has been since 1981, the first year for which comparable employment figures are available.

Employment in provincial government ministries and agencies down 18% since 2000

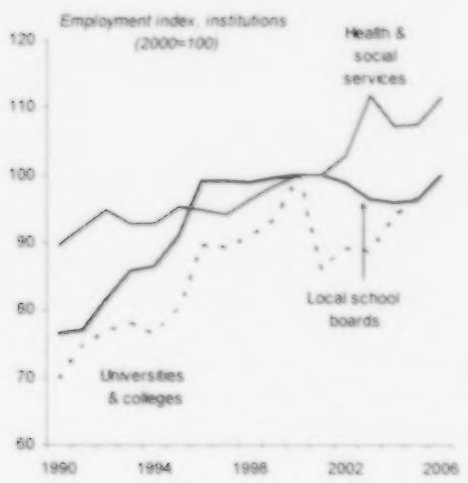


Data Source: Statistics Canada

While provincial general government employment has been declining, the number of people working for federal and local government departments has been climbing. Following substantial reductions throughout the 1990s, federal general government employment has been on the rise since 2000, increasing 13% by 2006. However, there are still fewer British Columbians working for the federal government than there were in 1990. Employment in local general government has also been rising, and has expanded 16% since 2000.

Although federal and local government employment have contributed to recent increases in the size of the public sector, the main source of job growth over the longer term has been institutions, especially health and social service institutions, which have seen significant expansions in the size of their workforce.

More workers in health & social services



Data Source: Statistics Canada

Total employment at health and social service institutions in the province has risen 11% since 2000, nearly three times the 4% growth in the public sector as a whole, but slightly less than the 14% increase in the total number of jobs in the province.

Employment at universities and colleges has fluctuated, but was at virtually the same level in 2006 as in 2000. Similarly, although the number of workers at local school boards had been falling, a 4.2% increase in 2006 brought employment at BC schools back up to 2000 levels.

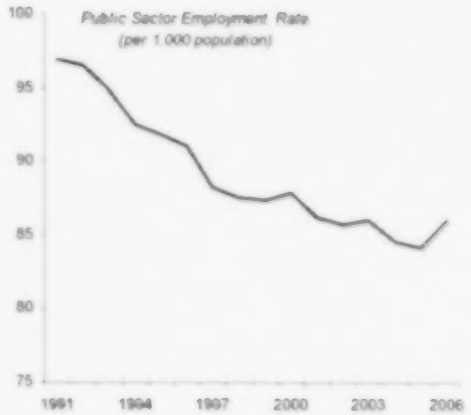
Crown corporation employment has risen 12% since 2000. Employment in provincial crown corporations has expanded 17%, partly as a result of changes in the structure of some organizations that provide public services to British Columbians.

However, the number of people working for federal and local crowns has been declining. Employment at federal crown corporations was down 3% from 2000 while local crown corporations shed 35% of their workers. The effect of these declines on total crown corporation employment was negligible since federal and local crown corporations represent such a small proportion of total crown corporation employment.

Public sector employment rate

Does an increase in the number of people on the public payroll imply that the impact of the public sector on the economy is increasing? Looking at the employment figures alone, one could certainly reach that conclusion. However, employment figures by themselves are only a partial indicator of changes in the relative size of the public sector because the demand for many public sector services, such as health care, education, social assistance and some administrative functions grows with the population. A bigger population means that more hospital services are required, and an increase in the number of school-aged children and young adults living in the province is likely to mean an increase in the demand for primary, secondary and post-secondary education services. The need for social services is also affected by population change, as are the administrative functions of government. The provision of most of these services is labour-intensive, so an increase in demand is almost always accompanied by an increase in employment to supply these services.

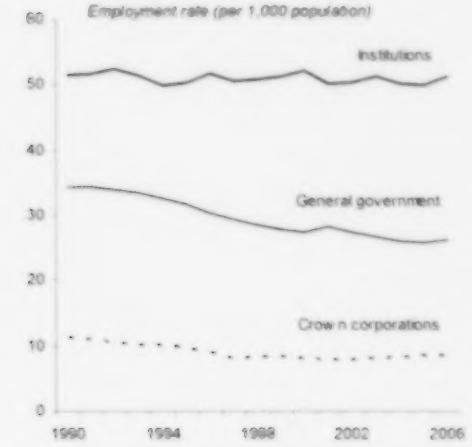
BC's public sector employment rate jumped in 2006



Data Source: Statistics Canada & BC Stats

The public sector employment rate compares employment in the public sector with the size of the population. Using this measure, it can be seen that BC's public sector employment rate has dropped significantly since the early 1990s, as the increase in the number of public sector jobs has fallen short of population growth in the province.

General government employment rate has been falling



Data Source: Statistics Canada & BC Stats

Although the employment rate jumped to 85.9 per 1,000 residents in 2006, it remains very low by historic levels. Local school boards, health & social service institutions, universities & colleges, and federal general government contributed the most to the increase in the overall rate last year, as did crown corporations. However, the employment rate increased throughout the public sector.

Over the longer term, the decline in the public sector employment rate can be traced back to general government employment. The number of people working in health care and educational institutions, as well as crown corporations has kept pace with population growth during the last decade and a half, but employment in government ministries and agencies has not grown as fast as the population.

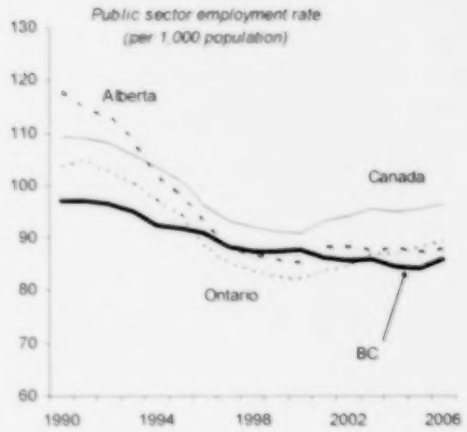
How does BC compare to other provinces?

The public sector employment rate in BC is the lowest in the country, at 85.9 per 1,000 population in 2006. Alberta (87.9) and Ontario (89.2) were the only provinces with similarly low employment rates. The national average was 96.3.

Saskatchewan (139) was the province with the highest public sector employment rate. The employment rate at health and social service institutions in that province was nearly double the national average.

Public sector employment in both Alberta and Ontario grew substantially starting in 2000, counteracting considerable reductions that occurred throughout the 1990s. In Alberta, total public sector employment is now at almost the same level as in 1990 (296,690 in 2006), after just over 46,000 jobs were eliminated during the 1990s. Public sector employment in Ontario is 6.1% higher than in 1990 (1,132,290 in 2006), even though about 119,500 jobs were eliminated during the 1990s.

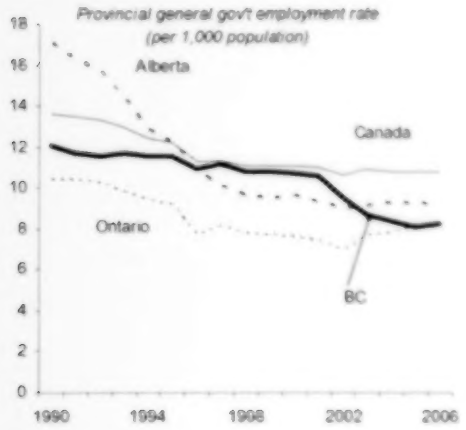
BC's public sector employment rate is the lowest in the country



Data Source: Statistics Canada & BC Stats

Since 2000, public sector employment has increased 17.8% in Ontario and 15.8% in Alberta. However, Alberta has seen significant population growth during this period, and the province's employment rate has remained relatively stable. In Ontario, the number of public sector workers has grown faster than the population in recent years.

BC and Ontario have the lowest provincial general government employment rates



Data Source: Statistics Canada & BC Stats

Alberta experienced substantial cutbacks in provincial general government employment throughout the 1990s, as did Ontario. Alberta's provincial general government employment rate fell significantly during this period, bringing it more in line with rates seen in other provinces. The rate dropped below the national average in the mid-1990s, and has remained there since. Ontario's provincial government also cut back on its workforce during the 1990s, but these reductions have been more than offset by high employment growth since 2000.

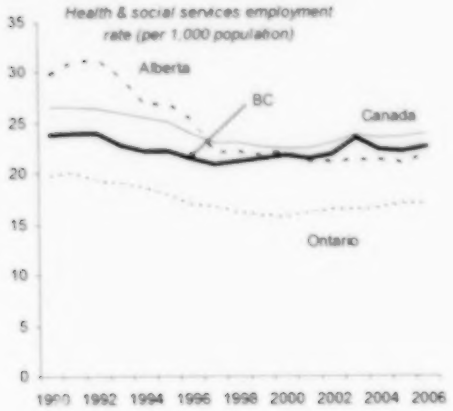
In BC, the provincial general government employment rate was relatively stable until the beginning of this decade, but has been falling since then. Currently, British Columbia has the second lowest provincial general government employment rate at 8.2 per 1,000 residents. Ontario continues to have the lowest rate at 8.1 per 1,000 residents, despite recent increases in its workforce. The national average was 10.8 in 2006.

Employment in federal and local general government has remained quite stable during the last decade and a half, increasing at about the same rate as the population as a whole. In BC, the federal general government employment rate was 8.8 in 2006, up slightly from 8.3 at the beginning of the decade. The local government employment rate rose from 8.4 to 9.1 over the same period.

The employment rate at schools (17.7) and post-secondary institutions (10.8) in BC was marginally lower in 2006 than in 2000.

The employment rate at public health and social service institutions in the province was 22.7 in 2006, just below the national average of 23.9. Ontario was well below average, employing only 17.0 health and social service workers for every 1,000 people. BC's employment rate has remained remarkably stable during the period since 1990. In contrast, Alberta's employment rate has fallen significantly and is now similar to that in the rest of the country.

Employment rate at health care institutions has remained stable



Data Source: Statistics Canada & BC Stats

Overall, the public sector has undergone substantial changes in recent years, both nationally and provincially. BC now has the lowest level of public sector employment per capita, and recent cutbacks have brought the size of BC's provincial public sector (relative to the population) more in line with that in Ontario and Alberta. Beginning in 2000, total public sector employment increased rapidly in Alberta and Ontario, whereas it slowed down in BC. More recently, a sudden upturn in employment in BC's public sector may indicate that the downsizing that characterized the early part of this decade may be coming to an end. The experiences in Alberta and Ontario certainly suggest that the reductions in the size of the public sector that occurred there during the 1990s were relatively short-lived.

Infoline

Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca

September 21, 2007
Issue 07-38

BC at a glance . . .

POPULATION (thousands)	Apr 1/07	% change on one year ago
BC	4,352.8	1.3
Canada	32,852.8	1.0
GDP and INCOME (Released Apr 25)		
(BC - at market prices)	2006	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	179,701	6.4
GDP *($ 1997 millions)*	150,741	3.6
GDP *($ 1997 per Capita)*	34,971	2.3
Personal Disposable Income *($ 1997 per Capita)*	21,984	4.8
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jul	3,461	-0.5
Merchandise Exports - Jul	2,659	1.0
Retail Sales - Jul	4,734	0.0
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Aug 2007)		
BC	1.3	1.7
Vancouver	1.7	2.2
Victoria	0.6	1.2
Canada	1.7	1.7
LABOUR FORCE (thousands)	Aug '07	% change on prev. month
(seasonally adjusted)		
Labour Force - BC	2,360	0.2
Employed - BC	2,266	0.4
Unemployed - BC	94	-3.9
		Jul '07
Unemployment Rate - BC *(percent)*	4.0	4.1
Unemployment Rate - Canada *(percent)*	6.0	6.0
INTEREST RATES (percent)	Sep 19/07	Sep 20/06
Prime Business Rate	6.25	6.00
Conventional Mortgages - 1 year	7.05	6.40
- 5 year	7.19	6.75
US/CANADA EXCHANGE RATE	Sep 19/07	Sep 20/06
(avg. noon spot rate) Cdn $	1.0147	1.1273
US $ *(reciprocal of the closing rate)*	0.9850	0.8860
AVERAGE WEEKLY WAGE RATE	Aug '07	% change on one year ago
(industrial aggregate - dollars)		
BC	756.53	3.9
Canada	761.97	3.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Environmental Statistics Portal

A new Environmental Statistics page with links to a variety of data and reports related to different environmental issues has been added to the site. The first issue of a new BC Stats periodical, "Environmental Statistics," can be accessed from this page. It is a reprint of an "Exports" article, with some additional data tables.

www.bcstats.gov.bc.ca/data/env/env_stat.asp

Regional Employment Projections

BC Stats, with the financial assistance of the Ministry of Advanced Education, developed the Regional Employment Projection Model (REPM), designed to project industrial and occupational employment in regions of the Province of British Columbia. The model projects employment at the Regional District level and then aggregates back up to the College Region for reporting purposes.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Socio-Economic Profiles & Indices

The 2006 edition of these widely-monitored reports provide the most complete and up-to-date basis for measuring and comparing the social and economic dimensions of regions in the province. Released April 4.

www.bcstats.gov.bc.ca/data/sep/index.asp

Released this week by BC Stats

- Consumer Price Index, August 2007

Next week

- Business Indicators, September 2007
- Current Statistics, September 2007
- Migration Highlights, Second Quarter 2007

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